



Logistics Reform Day Highlights

The first day in October ushered in a new wave of success for Logistics Reform. At 8:30 in the Pentagon Courtyard, the Second Annual Logistics Reform Focus Day began. The day was devoted to workshops and briefings on the future of Logistics. Senior DoD leadership thanked the logistics workforce for their hard work and encouraged them for future progress.

Mr. Roger Kallock, Deputy Under Secretary of Defense (Logistics), opened the ceremonies. He welcomed the hundreds of onlookers and introduced Dr. Jacques Gansler, Under Secretary of Defense (Acquisition & Technology). Dr. Gansler praised the workforce for its hard work. He said that he looked forward to the future when DoD logistics transforms "from a cold-war built operation to one that takes advantage of new technology."

Dr. Gansler believes that "our outstanding logistics workforce will meet the challenge."

Some project teams that have already met the challenge were on hand to receive the DoD Life Cycle Cost Reduction Awards. The Life Cycle Cost Reduction Award recognizes project teams that have found new ways to reduce Total Ownership Cost, emphasizing return on investment, quantitative time and money saved, and partnership. See page 8 for the list of winners.

The Keynote Speaker, Mrs. Susan Livingstone, former Assistant Secretary of the Army and panel chair to the 1998 Defense Science Board Study on Logistics Transformation, focused on the future of logistics operations inside DoD. Promoting the importance of logistics in the Department, she hoped

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that use of the analogy of logistics as the "tail" of the military would disappear. Instead, she envisions one integrated machine from warfighter to logistician. "Logisticians are the critical enablers of victory and success," she said. To promote that goal, she highlighted five points of the Logistics Vision 2000, part of a report due to be published soon by the Defense Science Board.

The five points in the report will include:

- Customer-driven logistics, with the theatre commanders as the customers.
- A redesigned force structure where logistics is first among equals.
- A global reach in days or hours instead of weeks or months.
- A logistics operation that is far more viable than today's force.
- Coordination by a system-wide architect; a champion who will make logistics reform happen.

Logistics Reform Day offered the DoD community a chance to see where logistics is heading. From the exhibit tents demonstrating new technology to the briefings on subjects such as Cycle Time Reduction and Logistics Response, Logistics Reform Day brought the promise of seamless support much closer to reality. **-AR-**



On Logistics Reform Day, Marines assemble the Multi-purpose Health Service Facility in the Pentagon Courtyard.

What's *Hot* in Small-Business Initiatives

The steady stream of developments in various small-business initiatives is a sign of how important this sector is to the government, and to DoD in particular. Witness these recent announcements:

On September 2, Ms. Eleanor R. Spector, Director of Defense Procurement, reinstated small-business set-asides for certain industry groups under the Small Business Competitiveness Program. Under this Office of Federal Procurement Policy program that dates from 1989, set-asides were suspended for certain designated industry groups.

For the 12 months ending June 1998, Spector said in a memorandum, DoD contract awards to small business in some construction industry and non-nuclear ship repair groups fell below the 35 to 40 percent thresholds designated in the program. Set-asides were reinstated for these industries for certain DoD buying activities.

For more information on the program and Spector's action, refer to FAR subpart 19.10 and DFARS subpart 219.10, or visit the Defense Procurement website at <http://www.acq.osd.mil/dp>.

On August 12, Spector issued a memorandum entitled "Progress Payment Distribution" simplifying proce-

dures for contracting officers responsible for administering progress payment distribution for some new contracts awarded after August 31.

The new procedure eliminates the need to require contractors to provide additional information to support the requirement for quarterly submittal of a contract funds status report, in some



cases. This is expected to ease the administrative burden on small businesses.

On September 2, the Small Business Administration (SBA) announced a pilot project to boost federal contracts to "very small businesses."

The Very Small Business Set-Aside Pilot Program will give these companies the first shot at federal contracts under \$50,000 in ten designated regions around the country.

SBA Administrator Ms. Aida Alvarez said such businesses "are proven job creators, but they have been inhibited by their size in competing for lucrative federal contracts. Now we're going to see what happens when they get the first shot." The pilot is to last until September 30, 2000. It covers the areas served by SBA regional offices in Albuquerque, NM; Los Angeles, CA; Boston, MA; Louisville, KY; Columbus, OH; New Orleans, LA; Detroit, MI; Philadelphia, PA; El Paso, TX; and Santa Ana, CA.

A "very small business" is one with 15 or fewer employees and less than \$1 million in average annual receipts. In FY 1997, there were 247,381 federal contracts under \$50,000. They totaled nearly \$5.2 billion, about two percent of all federal contracts by dollar value.

Small businesses "are proven job creators, inhibited by their size... now we're going to see what happens when they get the first shot."

DoD funds more than a half-billion dollars worth of early-stage R&D projects at small technology companies every year through the Small Business Innovation Research and Small Business Technology Transfers programs, known as SBIR/STTR.

Touted as the "largest source of early stage technology funding in the U.S.," SBIR provides up to \$850,000 directly to small technology companies or individual entrepreneurs who form a company, and STTR provides up to \$600,000 to small companies working cooperatively with researchers at universities and other institutions.

For more information on SBIR/STTR, visit <http://www.acq.osd.mil/sadbu/sbir/>. Other government web sites, such as <http://www.sba.gov>, and <http://www.gsa.gov>, also regularly post small-business information. -AR-

How to Reach AR Today

Do you have an Acquisition Reform success story? Please send comments, letters, articles, ideas for articles, photos, and notices of upcoming events to:

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Soloway Hits the Streets

As part of Vice President Gore's Conversations with America Initiative, Mr. Stan Soloway, Deputy Under Secretary of Defense (Acquisition Reform), is taking the message of acquisition reform directly to the workplace, ensuring that the entire workforce has an opportunity to learn what new policies are being developed and how they are being implemented.

"The workforce is experiencing a cultural change," says COL Chuck Vondra, Military Deputy to Soloway, "and Mr. Soloway is intent on sharing with the workforce where we are headed and, at the same time, gaining insight into their views and concerns."

Soloway is personally conducting a series of "townhall meetings" at locations with a large concentration of people in the business of acquiring systems, goods and services, and providing support to our warfighters, to talk to them about acquisition reform. These meetings are geared to address all areas of the workforce, including logisticians, engineers, systems acquisition personnel, contracting/procurement personnel, testers, contractors and requirements generators, and others. One of the major messages that Soloway is delivering is that acquisition reform applies to everyone.

members of IPTs, merging their core requirements early in acquisitions to ensure we have focused on life-cycle cost issues."

Other key topics include:

- The Acquisition Workforce
- Infrastructure Streamlining Issues
- Civil-Military Integration
- Single Process Initiative
- Workforce Education, and Career Development Training
- The Revolution in Business Affairs
- Privatization and Outsourcing
- Budget Issues
- Small Business Issues

The purpose of the meetings is to establish a direct dialogue with the people who are making acquisition reform work, and must continue to do so. In his meetings with the workforce, Soloway is making clear that acquisition reform cannot slow down; in fact, it must speed up if the Department of Defense is to modernize its systems and equipment.

So far, Soloway has conducted sessions at Los Angeles Air Force Base, Wright-Patterson Air Force Base, Defense Supply Center, Richmond, VA, and Fort Monmouth, NJ. In addition, Mr. Bill Mounts, Director of Interna-

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"The reception has been very good," remarked Vondra. "The feedback we are receiving is positive, and we are continuing our dialogue with the folks we have visited."

Logistics is one of the key topics being addressed. The role of logistics in acquisition reform is an especially important one, according to Vondra. "In order to maximize the Department's potential for savings and reduction of inefficiencies, logistics is a key partner in the reform of the procurement process. Additionally, logisticians are critical

tional and Commercial Programs, in Soloway's office, has also conducted sessions at the Navy facilities in Seattle, Bremerton, and North Island, WA. Soon Soloway will be visiting Wiesbaden, Germany. Other sites are now being considered for the second quarter of fiscal year 1999. Details are being handled individually at each host site. For more information, visit the Conversations with America (CWA) website at <http://www.acq.osd.mil/nprhia/conversations.htm>

-AR-

Reminder

The JECPO Electronic Commerce Information Center reports that some **Central Contractor Registration** applications are being sent or faxed to the old Acquisition Reform/Electronic Commerce office in Rosslyn. This office, formerly located at 1700 North Moore Street, has relocated to McLean, VA. Applications sent or faxed to the old location may not be processed. The new address is:

**Electronic Commerce
Information Center
7676 Old Springhouse Road
McLean, VA 22102
800-334-3414 (voice)
703-275-5691 (fax)**

Stealth Fighter Returns to ASC

By Lt. Guy Sulzberger (USAF) and
Lt. Serena Mosley Day (USAF)

WRIGHT-PATTERSON AIR FORCE BASE, OH - Aeronautical Systems Center (ASC) is planning, budgeting for, and managing sustainment of the total F117 weapons system following the relocation here this summer of the F117 System Program Office (SPO) from McClellan Air Force Base, CA. The move of the stealth fighter office makes ASC home for the development and sustainment of all the Air Force's newest fighters and bombers and brings 19 positions to ASC from McClellan AFB for a total of 55 persons in the SPO.

The F117 comes to Wright-Patterson with momentum and excitement since the office was awarded the singularly prestigious John J. Welch, Jr. Trophy as the best system program office in the Air Force. The award, named after the former Assistant Secretary of the Air Force for Acquisition who made significant contributions to Air Force acqui-

(Continued on page 7)

Network-Centric Warfare

"Arising from fundamental changes in American society and business, military operations increasingly will capitalize on the advances of information technology."

That is what VADM Arthur Cebrowski, USN, and Mr. John Garstka see as the future of warfare in the paper *Network-Centric Warfare: Its Origin and Future*.

Network-Centric Warfare takes its name from changes in American business. Over the past decade businesses have moved from focusing on workers as single operators to more powerful "networked" groups.

Just as the power of a computer network is greater than stand-alone machines, so Network-Centric operations are more powerful than Platform-Centric, or stand-alone, operations.

Like large businesses, Cebrowski writes, "military operations are enormously complex, and complexity theory tells us that such enterprises organize best from the bottom up."

Cebrowski describes the differences: In the Platform-Centric model, individual units move forward then pause while waiting for more instructions from the leaders. But by using Network-Centric operations, the units or workers operate with more authority and awareness and are now able to continue operations without constant direction from leaders.

This is the heart of network-centric warfare. The concept was gleaned from the modern methods of American business and therefore has currency in the world of acquisition reform.

Network-Centric operations include concepts such as empowering workers, bringing authority down to the operational level and using information technology.

Cebrowski highlights one example of the success of operating in a network-centric environment: the transformation of the New York Police Department (NYPD).

In 1994, incoming Mayor Rudolph W. Giuliani and Police Commissioner William J. Bratton decided that the primary

objective of the NYPD should be to reclaim the streets. In other words, realizing there are no "petty crimes," the NYPD enforced all laws rather than focusing on big offenders.

The commissioner provided his precinct commanders with substantial operational authority to change doctrine, procedures, and organization — and held them accountable for their results.

Bratton then increased competitive space awareness by applying information technology to create a common operational picture in each precinct and across precincts. Information sharing was required of all elements of the arrest-to-arraignment chain.

Armed with increased awareness and empowered with new doctrine, precinct



commanders and their officers were able to identify trends much earlier and to take action to stop things before they started. Reported crimes are now substantially fewer than before the Giuliani administration.

Cebrowski notes that these operations "derive power from the strong networking of a well-informed but geographically dispersed force."

The concepts of network-centric warfare are already part of acquisition reform. Bottom-up organization, empowerment and accountability are well known by the acquisition workforce.

The changing concepts of business and warfare may be so similar one day that the Department will be known as a truly seamless organization. -AR-

Deskbook Gets New Manager

Lt. Col. Joseph S. Price recently replaced Lt. Col. Dave London as Deskbook program manager. Most recently, Price was the Military Assistant to the Principal Deputy Under Secretary of Defense for Acquisition and Technology.

Lt. Col. Price has been an acquisition officer for most of his career. He has analyzed production of the Short Range Attack Missile, negotiated contracts for intelligence radars, managed production surveillance for the F-16 fighter, and supervised a factory producing C-17 transport aircraft parts. He has also managed program support for ships, trucks, radios, tents, uniforms, and meals-ready-to-eat. Additionally, he spent some time teaching history at the Virginia Military Institute and doing international staff work at Headquarters, Air Force Materiel Command.

The award-winning Defense Acquisition Deskbook has accomplished the ultimate objective in a results-centered era: It has proven its value in dollars and cents.

DoD is saving \$25 for every \$1 spent using the computer-based, knowledge-presentation system that assists in the acquisition process, according to the Deskbook Joint Program Office (JPO) at Wright-Patterson AFB, OH.

The Deskbook, which resides at <http://www.deskbook.osd.mil>, is based on technology and experience from developing the Air Force Acquisition Model (AFAM).

But while AFAM was developed to document activities in the Air Force Materiel Command, the Deskbook supports the entire defense acquisition community. About 1,000 users visit the web site each day. About 30,000 CDs are distributed quarterly. Details on how to order CDs can be found at the Deskbook website. -AR-

Simulation—Based Acquisition: What Will Computers Do Next?

Although SBA is a Tri-Service, Office of the Secretary of Defense (OSD), and industry initiative, this article reflects the Army perspective.

It won't happen overnight, but the time is coming when weapons systems will be planned, designed and tested entirely on computers.

When that happens, the components rolling off the assembly line will fit together far better than components produced under the old trial and error method. And, thanks to simulators, field personnel will already be trained to operate the new systems because they will have been a part of the system's development.

The modeling and simulation technology that will make this scenario possible is Simulation Based Acquisition (SBA)—an acquisition process in which DoD and Industry are enabled by robust, collaborative use of simulation technology across acquisition phases and programs. DoD will produce better weapons systems faster and less expensively, although the technology is not cheap.

"The traditional process of developing a weapons system was more or less linear, because people tend to think in linear terms," said Ellen Purdy, SBA proponent on the staff of LTG Paul J. Kern, Military Deputy to the Assistant Secretary of the Army for Research, Development and Acquisition.

Nowadays, industrial manufacturers involve all system stakeholders with simultaneous access to a digital representation of the evolving system design. These Integrated Product and Process Development (IPPD) teams, otherwise known as Integrated Product Teams (IPT), besides optimizing the design, manufacturing, and supportability processes, are better able to meet cost and performance objectives. Couple this management technique with the technology of SBA, and the consumer receives a product that is cheaper, of higher quality, and is produced in a much shorter time.

What kinds of products are affected? Everything from guitars to cars to airplanes. Modern-thinking corporations are creating "virtual systems engineering enterprises." These "enterprises" tie all of a corporation's thousands of computer stations (national and international) into one interconnected network so as to establish an environment for data management and strict configuration management.

Virtual prototyping is now so accurate, Purdy said, that it is possible to build and test much of the performance of a system in a computer. If the Army wanted to build a new tank, it could not only model the physics behind, for example, the hydraulics system, but could represent the entire tank and its performance characteristics in a synthetic battle. But the real value of SBA will come when it is used early in the development of a new system.

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"What costs the most is operation and support," Purdy said. "There are many opportunities to impact the cost of operating and supporting a system at the beginning of the development cycle. By the time we hit Milestone 1, we have locked in 70 percent of the cost of operating and sustaining a system.

"For example," Purdy said, "operating the Blackhawk helicopter requires numerous petroleum products. SBA provides an opportunity, through the use of modeling and simulation, for design engineers to assess aspects such as the metallurgy, bearings and moving mechanical as-

semblies so that the products needed to support operation are minimized."

"SBA allows design engineers and logisticians to collaborate, think ahead, and ask whether you can accomplish something some other way, to optimize performance before you lock a design in place," she said.

During this process, real soldiers can operate the proposed system using simulators. "They can help you design the system to allow them to maximize the system's capabilities in their tactics, techniques and procedures," Purdy said. "They can say if the vehicle had this ability, we could accomplish this mission before the first prototype is built."

To date, no weapon system has been built entirely digitally, because SBA is relatively new and both program managers and funding procedures must adjust. But the Crusader self-propelled howitzer, currently in development is using virtual prototyping and there are many CAD/CAM (computer aided design, computer aided manufacturing) products in use by DoD.

Acquisition professionals are in the process of figuring out how to exploit the new capability, Purdy said, and it will also take time to work out software problems, to get different vendors' products to talk to each other. "We need both data interoperability and culture change," Purdy said. These changes will allow data to be exchanged not only within a program from phase to phase, but between programs. Cost savings will be significant as SBA continues to break down stovepipes.

Dr. Patricia Sanders, Test Systems Engineering and Evaluation (DTSE&E), is the SBA champion for Dr. Jacques S. Gansler, Under Secretary of Defense (Acquisition & Technology) and has called on the Services to contribute to an SBA roadmap for DoD.

A report articulating the roadmap and much additional information about SBA may be accessed on a special web site, sponsored by the Defense Modeling and Simulation Office (DMSO), <http://www.msosa.dmsa.mil/sba>. -AR-

AR News Roundup

Smith Appointed First Chancellor for Education & Professional Development

At a ceremony in the Pentagon on October 2nd, Secretary of Defense William S. Cohen appointed Dr. Jerome "Jerry" F. Smith, Jr. as the first Chancellor for Education and Professional Development in the Department of Defense (DoD).

This action promotes a key Defense Reform Initiative decision to raise the quality of civilian education and professional development to world-class standards.

Cohen said, "It is critical that we provide world-class professional development and education for our employees." Expressing full confidence that the chancellor will be "a vigorous and visionary guiding hand on matters of civilian education," Cohen said Dr. Smith "is uniquely suited to lead our civilian education effort."

The chancellor will be the principal advocate for the academic quality and cost-effectiveness of all DoD institutions and programs that provide higher education and professional development for DoD civilians.

He will ensure that the educational policies and requirements set by the functional areas are implemented at the highest possible levels of quality, effectiveness, and efficiency.

Programs and institutions whose primary mission is professional military education such as the National Defense University, the senior service schools, the command and staff colleges, and the military academies are not included in the chancellor's charter.

NRDEC Supports Troops in Bosnia

By implementing and practicing AR initiatives, the U.S. Army Soldier Systems Command's (SSCOM) Natick Research, Development and Engineering Center (NRDEC) was able to expedite the procurement, manufacture, and delivery of critical life saving items for use by our troops in Bosnia. NRDEC groups, teaming with other organizations, received verbal requests for support from U.S. Army Europe (USAREUR) and the Office of Deputy Chief of Staff for Operations. To meet these crucial requirements, the teams accepted risks by initiating concurrent

actions in lieu of the business-as-usual process of sequential events. In addition, the procurements consisted of as many commercial and modified commercial items as possible. By teaming with industry, the groups formed were able to meet the one common goal of supporting the soldiers.

The teams awarded contracts to manufacture 350 Ranger Body Armor (RBA) vests and 180 Body Armor Sets, Individual Countermine (BASIC) within three days of the request and delivered all items to USAREUR/Bosnia within 45 days. Total mission response to the varied ballistic hazards present required the expeditious delivery of several different armor items to the field. Totalling \$2.8 million in protective materiel in direct support of "Task Force Eagle," these deliveries included RBA vests, BASIC, Ballistic Protective Combat Boots, Interim Small Arms Protective Overvest, and the Concealable Sniper Vest.

Smart Buying Nets Seven Extra ACEs

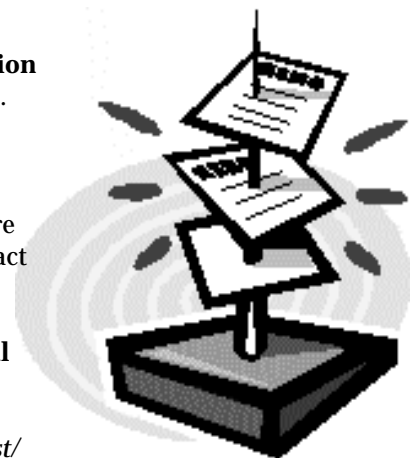
When the Army gives you a set budget and says to build as many vehicles as possible, you have to find creative ways to minimize unit cost. Thus, the

UPCOMING EVENTS

The American Institute of Aeronautics and Astronautics (AIAA) Acquisition Reform Conference is scheduled for **28-29 January 1999** in Washington, DC. Visit <http://www.aiaa.org> for more details!

Data Interchange Standards Association's (DISA) Electronic Commerce Conference '99 is scheduled for **12-14 April 1999** in Las Vegas, NV. For more information, visit <http://www.disa.org/conference/ecedi99/contents.html>, or contact Connie Shaw, 703-548-7005x175, e:mail cshaw@disa.org

Performance Management Association's (PMA) 15th Annual International Conference is scheduled for **3-5 May 1999** in St. Paul, MN. The theme is "Performance Management for World Class Businesses." Contact Eleanor Haupt via e:mail at haupt@yt.wpafb.af.mil or visit <http://www.erols.com/pmafirst/#events>



M9 Armored Combat Earthmover (ACE) Program Office formed an Integrated Product Team (IPT) and applied the Alpha contracting process, including performance-based contracting, and principles of Cost As An Independent Variable (CAIV) to the production contract.

The end result? Savings of 16 percent, which translated into seven additional M9 ACEs for the troops in the field.

A key contributor to the savings was the use of remanufactured engines versus new engines. The ACE engine, a Cummins V903, was no longer a production item and its unit price had jumped in recent years from \$36,000 to \$44,000. The M2/M3 Bradley had upgraded to 600 horsepower engines, creating a surplus of 500 hp engines which were stored at the depot with no foreseeable use. The Bradley program

office agreed to "donate" their old engines.

Cummins Engine Company is an industry leader in remanufacturing with over 33 years in salvage technology. All Cummins Recon components and engine assemblies are remanufactured to exact specifications, subjected to functional testing to ensure performance equal to new, and are given the same warranty as new products. Only Cummins parts are used in the process and all performance parts are replaced as 100 percent new.

Using a horizontal and alpha contracting approach, coupled with commercial pricing, TACOM was able to team with Cummins Corporate and Cummins ReCon to award the remanufacture and conversion of 51 diesel engines and realize a total savings of \$962,000, which translates to \$19,000 per vehicle. -AR-

Stealth Fighter Returns to ASC

(Continued from page 3)

tion during his tenure from October 1987 to April 1992, recognizes management-level achievement through teamwork, rather than individual accomplishment.

System Program Director Col. Samuel Ryals, in his acceptance speech for the Welch Trophy, praised the teamwork exemplified by the many organizations supporting the F117. "This is an award that can be enjoyed by not just the program office," he said, "but also the Air Force Materiel Command, Air Combat Command, the 49th Fighter Wing at Holloman Air Force Base, U.S. Navy Depot in Jacksonville, FL, Lockheed Martin Skunk Works, and all the other 180 contractors that support Team F-117." He added, "Total System Performance Responsibility has been a rough road we paved with teamwork."

Total System Performance Responsibility (TSPR) is what the Air Force hopes will become the standard in acquisition. The TSPR contract motivates the contractor to be cost efficient by making the contractor an equal partner in any cost

overages or underruns. The contractor has an incentive to meet the budget and earn additional profit through 50/50 cost sharing of any underrun.

For the F117, TSPR also means delegating the sustainment of the aircraft to Lockheed Martin Skunk Works (LMSW), with the SPO acting as an overseer and retaining responsibility for meeting operational needs. That involves a \$90 million cost savings over the next eight years for the F117 SPO. LMSW, the primary contractor for the F117, has committed to another \$80 million in savings over the same period.

In accepting the Welch award, Colonel Ryals gave credit for the F117 SPO's success to the men and women who work the day-to-day program issues at McClellan and Wright-Patterson Air Force Base. "These folks weathered the storm of base closure, downsized and transitioned to Wright-Patterson, and have written the most innovative acquisition reform in history. For an SPO to do one of these would be a struggle. These people have done all three." -AR-

AR ON-LINE

**All you ever needed
to know about
Logistics — On-line!**

The Office of the Deputy Under Secretary of Defense (Logistics) at <http://www.acq.osd.mil> provides general information on Processes, Functions, Infrastructures and Systems.

The Logistics Reinvention Office can be found at <http://www.acq.osd.mil/log/lro>. It's full of useful information including a CALS Reference Toolkit and a Data Item Descriptions (DIDs) database. Must visit!

The Office of the Assistant Deputy Under Secretary of Defense (Materiel & Distribution Management) at <http://www.acq.osd.mil/log/mdm> is responsible for DoD policy regarding the DoD Supply System. This site includes a link to the Joint Total Asset Visibility Office (JTAV).

The Office of the Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs & Resources) is located at <http://www.acq.osd.mil/log/mp> oversees the maintenance of all DoD weapons systems. Be sure to check out their "Fact Book" and Data Analysis Tool.

Other AR sites

These and all web sites spotlighted in this column can be directly linked from our "Other Sites" page on the DUSD(AR) web site (<http://www.acq.osd.mil/ar/ar.htm>). It's the most comprehensive listing of AR-related sites anywhere on the web...

Bookmark it!

Spotlight on Logistics Day Winners

AR-Today congratulates the winners of the third annual DoD Life Cycle Cost Reduction Award. One winner is chosen from each service, one from the Defense Agencies and one from Industry.

Of those winners the one with the highest point total wins the DoD Overall Reduction Award.

A select committee judged 57 entries on factors including returns on investment, payback time, qualitative process improvements, and joint ventures.

The Army winner is the M157A2 Integrated Product Team. The Team eliminated the reliance on motor gasoline (MOGAS) in compliance with DoD Directive 4140.43 on fuel standardization and over 142 sole source parts. By employing acquisition reform strategies such as modernization through spares, teaming and technology insertion, the M157A2 team achieved a life cycle cost reduction of over \$10 million with an investment of less than \$400,000.

The Air Force award is presented to the Air Force Medium Range Air-to-Air Missile Vision 2000 Implementation Team. The Team reduced life cycle costs in the joint Air Force and Navy Advanced Medium Range Air-to-Air Missile (AMRAAM) program. The Team decreased the AMRAAM average unit procurement cost from over \$750,000 to under \$400,000.

The Navy award is presented to the Naval Surface Warfare Center, Dahlgren Division's Shipboard Collective Protection

Team. The Team reduced the life cycle cost of shipboard Nuclear, Biological, and Chemical defense filters by over 75 percent, saving \$60 million dollars over the next ten years and simultaneously making filtration improvements.

The Marine Corps award is presented to the V-22 Osprey Joint Bell Boeing/Government Team. The implementation of blade tracking technology will result in a \$45 million life cycle cost savings through reduced rotor balance operations on the V-22 Osprey.

The Defense Agency award is presented to the Government/Industry Single Process Initiative Integrated Process Team. The Team consists of people from the Defense Logistics Agency, the Defense Contract Audit Agency, and the Boeing Company. This team generated over \$19 million in cost savings and provided over \$40 million in cost avoidance for future Apache Longbow production and logistical support.

The Industry Award is presented to the Longbow Missile Cost Reduction Team. The Team, part of the joint venture of Lockheed Martin Electronics and Missiles and Northrop Grumman, developed and implemented the Longbow Cost Reduction Plan (CRP). An overall cost saving of \$1.016 billion over the next 10 years has been verified and incorporated into the Longbow Life Cycle Cost. They are also the winners of the Overall DoD Award. Of all the nominations received, this team's total score was the highest. Congratulations to all!



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